

## Message Text

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44

ACTION EB-11

INFO OCT-01 NEA-10 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02

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FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 4699

INFO AMEMBASSY ATHENS

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EO 11652 NA

TAGS GATT ETRD GR

SUBJ GREEK ANNOUNCEMENT OF NEW IMPORT RESTRICTIONS

IN GATT BOP COMMITTEE

REFS A) TSCD 74-10 B) STATE 52712

1. DURING UNOFFICIAL SESSION OF GATT BALANCE-OF-PAYMENTS  
COMMITTEE JUST PRIOR SCHEDULED CONSULTATIONS ON GREECE ON  
MARCH 18, COMMITTEE REACHED INFORMAL AGREEMENT NOT TO  
EXAGGERATE IMPORTANCE OF INCREASES IN OIL PRICES ON IMPORTS  
OF COUNTRIES SCHEDULED TO APPEAR. COMMITTEE INFORMALLY  
AGREED IT WOULD BE PREMATURE TO BEGIN NOW TO PRESENT GATT  
COUNCIL OR CPS WITH ANY RECOMMENDATION OF ACTION TO BE TAKEN  
IN RESPONSE TO GATT ARTICLE XII:5 PROVISIONS IF COUNTRIES  
SHOULD BEGIN TO ERECT NEW TRADE BARRIERS IN RESPONSE TO  
INCREASED OIL IMPORT PRICES; THAT THIS MIGHT ONLY PRECIPITATE  
RECOURSE TO RESTRICTIONS. COMMITTEE AGREE DEFER  
CONSIDERATION OF ANY SUCH ACTION UNLESS AND UNTIL COUNTRIES  
ACTUALLY BEGIN ERECT NEW BARRIERS INSPIRED BY OIL PRICES.

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2. BREECE ANNOUNCED NEW IMPORT RESTRICTIONS AT THE ENSUING BOP CONSULTATIONS. GREEK DEL COUCHED JUSTIFICATION FOR RESTRICTIONS ON GROUNDS OIL IMPORT COSTS, SPECULATIVE IMPORT STOCKPILING, INCREASED FOOD IMPORT COSTS, RISING MACHINERY COSTS, AND GENERAL OVER-INFLATION OF IMPORT DEMAND REQUIRED ADDED RESTRICTIONS. RESTRICTIONS NOT PRESENTED IN DETAIL BUT GREEK DEL SAID THEY APPLY ONLY TO 8 PERCENT OF TOTAL VALUE OF IMPORTS ACTIONS INCLUDE NEW LIST OF PRIOR DEPOSITS OF 140 PERCENT PLUS INCREASES IN SOME TARIFFS BY 60 PERCENT AND SOME UNSPECIFIED USE OF LICENSES ON "A" LIST. ITEMS AFFECTED ARE LARGELY CONSUMER GOODS: AUTOMOBILES, SOAP, ESSENTIAL OILS, SHOES, TELEVISION SETS, FURNITURE, SOME TEXTILES, SPORTING GOODS, ETC. GREEK DEL PROMISED SUPPLY DETAILS LATER. NEW RESTRICTIONS APPLY UNTIL END OF 1974, AT WHICH TIME GREEK AUTHORITIES WILL TAKE NEW LOOK. THEY EMPHASIZED HOWEVER "UNCERTAINTIES IN WORLD TRADE WITH WHICH WE ALL FAMILIAR", CITING SECONDARY IMPACT ON GREECE (READ OF INCREASED OIL PRICES) IN AREAS OF WORKERS' REMITTANCES, VACATION TRAVEL, AND BUNKERING FOR SHIPS, ALL OF WHICH ARE MAJOR ELEMENTS OF GREECE'S BALANCE OF PAYMENTS.

3. U.S. (SPRUCE) ASSOCIATED WITH STATEMENTS BY CANADA, JAPAN REGRETTING RECOURSE TO RESTRICTIONS, PARTICULARLY WITH GREEK RESERVES HIGH. U.S. MADE LOW-KEY STATEMENT WE MAY HAVE FURTHER COMMENT AT TIME OF FINALIZING REPORT ON MARCH 25.

4. ACTION REQUESTED: UNDERSTANDING REFERRED TO IN PARA 1 ABOVE TO AVOID DRAMATIZING OIL PRICE SITUATION STILL SEEMS FIRM IN SPITE OF GREEK ANNOUNCEMENT. IN VIEW OF GREEK STATEMENTS ATTRIBUTING NEED FOR RESTRICTIONS TO VARIOUS OTHER FACTORS AS WELL AS TO OIL PRICES, WE PLAN MAKE NO FURTHER STATEMENTS-- UNLESS INSTRUCTED OTHERWISE BEFORE MARCH 25--THAN SIMPLY REPEAT U.S. REGRET OVER RESORT TO NEW RESTRICTIONS IN VIEW OF HIGH RESERVES AND NOTE GREEK STATEMENT THAT RESTRICTIONS ARE TEMPORARY. IN EVENT OTHER CPS UNDERGOING BOP REVIEW THIS WEEK (ISRAEL, YUGOSLAVIA, PERU, TUNISIA) ALSO ANNOUNCE NEW RESTRICTIONS, HOWEVER, LOW-KEY ACQUIESCENCE MAY HAVE TO BE RECONSIDERED IF WE ARE TO DISCOURAGE WIDESPREAD MOVE TOWARD RESTRICTIONS.DALE

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